



**Jardines**

**JARDINE MATHESON HOLDINGS LIMITED**

**Securities and Exchange Commission File No. 00-2963**

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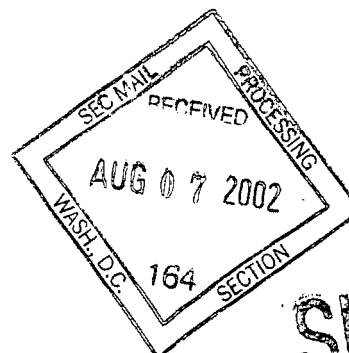


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**Group Secretariat**

30th July 2002

Securities and Exchange Commission  
Office of International Corporate Finance  
Division of Corporate Finance  
450 Fifth Street, N.W.  
Washington D.C. 20549  
U.S.A.



**SUPPL**

Dear Sirs

Jardine Matheson Holdings Limited

I enclose for your information a copy of a press announcement in respect of the 2002 interim results of Jardine Lloyd Thompson Group plc, an associate of the above Company.

Yours faithfully  
JARDINE MATHESON LIMITED

Neil M McNamara  
Group Corporate Secretary

**PROCESSED**

**AUG 30 2002**  
**P THOMSON**  
**FINANCIAL**

Encl



**JARDINE MATHESON HOLDINGS LIMITED**  
**Jardine Matheson**

**Securities and Exchange Commission File No. 82-2963**

Jardine Matheson Holdings Limited  
Jardine House, 7 Reid Street  
Hamilton, Bermuda

## **Press Release**

[www.jardines.com](http://www.jardines.com)

To: Business Editor

30th July 2002

For immediate release

### **Jardine Lloyd Thompson Group plc Interim Results for the Six Months to 30th June 2002**

The following press release was issued today by the Company's 32%-owned associate, Jardine Lloyd Thompson Group plc.

For further information please contact:

Golin/Harris Forrest  
Megan Ross

(852) 2501 7986

30th July 2002

**JARDINE LLOYD THOMPSON GROUP plc**  
**INTERIM RESULTS FOR THE SIX MONTHS TO 30th JUNE 2002**

Jardine Lloyd Thompson Group plc today announces interim results for the six months ended 30th June 2002. These results reflect sustained strong new business development, organic growth across the Group and the continuing effects of hard insurance market conditions.

**Financial Highlights** (before exceptional items and goodwill amortisation):

- turnover up 12% to £194.2 million (2001: £173.3 million)
- trading profit up 32% to £39.5 million (2001: £29.9 million)
- profit before tax up 20% to £50.9 million (2001: £42.3 million)
- diluted earnings per share up 19% to 17.0p (2001: 14.3p \*)
- interim dividend up 14% to 7.5p (net) per share, payable on 14th October 2002

\* restated for effects of FRS 19

**Operational Highlights**

- Risk & Insurance Group increased its revenue by 16%, as JLT continues to win significant new business
- Employee Benefits Group made an encouraging start to the year with several long-term contracts recently secured.

Steve McGill, Chief Executive of Jardine Lloyd Thompson Group, commented:

"I am delighted to announce that Jardine Lloyd Thompson Group has built on the strong progress made throughout 2001 in the first six months of this year, once again achieving double digit growth in both revenue and profits.

Our Risk & Insurance Group produced an outstanding performance with JLT continuing to win significant new business. The insurance market remains extremely challenging and JLT is clearly benefiting from a flight to quality as clients turn to those firms that have the resources, depth and capability to deliver the most innovative insurance and reinsurance solutions.

In our Employee Benefits business, steady growth was achieved together with some significant new business wins, the full effects of which will impact our 2003 results. The rapidly evolving pensions environment should continue to produce exciting opportunities for JLT going forward."

**Enquiries:**

Steve McGill, Chief Executive  
George Stuart-Clarke, Finance Director

Jardine Lloyd Thompson Group      020 7528 4444

Rupert Younger  
Claire Bithell

Finsbury Group      020 7251 3801

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**FULL RELEASE FOLLOWS:**

## **CHAIRMAN'S STATEMENT**

### **Report to Shareholders**

#### **Results and Dividend**

JLT's strategy of building our business in those areas where we are confident we are or can become the market leader continues to yield success and, following a year of very good growth in 2001, JLT has continued to see strong organic growth in the first half of the current year. For the six months to 30th June 2002, brokerage and fees have grown by 12% to £194.2 million, trading profit has grown by 32% to £39.5 million and profit before tax, exceptional items and goodwill amortisation by 20% to £50.9 million.

The Board has declared an interim dividend of 7.5p per share which will be paid on 14th October 2002 to shareholders on the register on 20th September 2002. This represents a 14% increase over last year's equivalent dividend and maintains JLT's track record of increasing the dividend at each reporting period since Lloyd Thompson went public in 1987.

The high levels of activity and new business opportunities seen in 2001 have continued for both Risk & Insurance and Employee Benefits for the period under review and the outlook continues to be very encouraging for the Group as a whole.

#### **Operational Review**

The 12% increase in Group turnover reflects sustained new business development and organic growth across the Group and, within Risk & Insurance, the continuing effects of hard market conditions.

The Group made a trading profit - turnover less expenses and excluding exceptional items and goodwill amortisation - of £39.5 million, representing an increase of 32 % over the equivalent period last year.

#### **Risk & Insurance Group**

The Risk & Insurance Group, which comprises JLT's worldwide insurance and reinsurance broking and local government activities, performed very strongly in the first half. Turnover for continuing operations grew by 16% to £156.2 million with a trading profit margin of 27%, increased from 25% in the comparable period of 2001.

The Group's success was due to JLT continuing to win new business, the effects of the hard market and continued control of costs. In addition to winning significant amounts of new business, the Risk & Insurance Group has an excellent client retention rate and we are very proud of the strong relationships we build with our clients.

In the current environment of greater risk and uncertainty, and against the background of a hard insurance market, clients are increasingly turning to quality intermediaries with strong relationships with underwriters, who can provide innovative solutions. With our niche expertise, global reach and reputation for quality and innovation, JLT is ideally placed to benefit from this flight to quality.

Within the Risk & Insurance Group, Risk Solutions again produced an outstanding result with turnover up 19% to £95.7 million. Excellent performances came from our Accident & Health, Cargo, Casualty, Construction, Energy, Financial & Professional Risk and Marine Reinsurance business units.

Agnew Higgins Pickering, the London based natural resource specialist, once again achieved record results as did our Bermuda operations, whilst our North American reinsurance businesses have seen good growth.

Our other Risk & Insurance operations in the UK, Asia, Brazil and Canada all produced good results, with an outstanding performance from Australasia, reflecting both the growth of its local government and corporate portfolio and the impact of rate increases.

We believe that the hard market will now continue beyond 2003. This, combined with a reduction in capacity, creates challenges for clients who continue to be faced with the prospect of purchasing less coverage, accepting lower limits and retaining a greater portion of their own risk in the form of higher retentions. In response, many clients are turning to the most innovative brokers to mitigate the effects of the hard market by restructuring insurance programmes to minimise cost increases and JLT has seen many new business opportunities as a result.

#### Employee Benefits Group

The Employee Benefits Group, which comprises JLT's pension administration, outsourcing, employee benefits, consultancy and US group marketing activities, made an encouraging start to the year. JLT has one of the UK's largest outsourced pensions administration businesses and this remains a growth area, particularly in the light of the current trend towards switching corporate pension schemes from defined benefit schemes to defined contribution schemes, which require more administration. Revenue in the six month period grew by 6% to £38.0 million.

In the UK, Corporate Healthcare and Pension Consulting have performed strongly. Administration Services had a very successful first half, winning a number of significant new contracts, the revenues for which will show through in the fourth quarter of the year and into 2003 and beyond.

Current trading has been encouraging and on 23rd July 2002, JLT announced its appointment by Prudential UK to provide a range of administration services to a portfolio of defined benefit pension scheme clients. The contract covers approximately 100,000 scheme members of blue-chip clients and includes the provision of services to the Prudential staff scheme, covering over 40,000 members.

The trading profit margin for the continuing operations of the Employee Benefits Group was 10%. In the UK, the FSA required the bulk of pensions mis-selling review work to be completed by 30th June. We committed considerable resources to meeting this deadline during the first six months of 2002 but nevertheless still achieved some good business successes. We expect the momentum to build for the second half of the year and into 2003 with stronger revenue growth and further improvements to the trading margin as the effects of the new contracts flow through.

Our Employee Benefit operations in the United States achieved revenue growth of 5% against a weaker economic background.

### **Exceptional Items**

The exceptional credit of £3.9 million arises from the disposal of the Group's interests in Professional Affinity Group Services and other non-core activities.

### **Foreign Exchange and Interest Rate Exposures**

The Group continues to be prudent in managing both foreign exchange and interest rate exposures. As at 30th June 2002 some 96% of 2002 US dollar revenue expected to arise in the UK has been hedged at an average rate of \$1.47, while for 2003 70% has been hedged at \$1.44.

For the six months to 30th June 2002 interest earnings fell by 17% due to the impact of lower interest rates offset in part by interest rate hedging and an increased level of funds invested. Significant interest rate hedges have been put in place to mitigate the impact of falling interest rates. For 2002 the Group has covered 60% of its estimated US dollar interest earnings at an average rate of 4.5% and 63% of estimated sterling interest earnings at 5.4%. For 2003 the comparable figures for US dollars are 53% at 4.2% and for sterling 40% at 5.2%.

## **Prospects**

Trading conditions for the Group as a whole remain favourable and both the Risk & Insurance Group and Employee Benefits Group have made a good start to the second half of the year.

In the Risk & Insurance Group, we are confident that JLT will continue to win significant new business, as clients increasingly seek out the most innovative solutions to manage risk in this difficult market environment.

The new contracts won by the Employee Benefits Group in the first half and in the first few weeks of the current period are highly encouraging and we remain positive about the good growth prospects we see for this part of our business.

JLT's core strength remains its talented and highly respected workforce and the Group has a track record of delivering excellent financial performance, irrespective of market conditions. We are confident about JLT's trading prospects and that it will continue to deliver growth in 2002 and beyond.

**Ken Carter**

**Chairman**

30th July 2002

**Jardine Lloyd Thompson Group plc**  
**Consolidated Profit and Loss Account**  
**Unaudited results for the six months ended 30th June 2002**

	Notes	2002 £'000	Restated (see Note 2) 2001 £'000
<b>TURNOVER</b>	4	194,223	173,268
Investment income		9,270	11,175
<b>Operating Revenue</b>		<b>203,493</b>	<b>184,443</b>
Trading expenses (excluding goodwill amortisation and exceptional items)		(154,669)	(143,332)
Goodwill amortisation		(1,600)	(1,580)
Exceptional items	5	-	(1,231)
<b>Operating Costs</b>		<b>(156,269)</b>	<b>(146,143)</b>
<b>Operating Profit</b>		<b>47,224</b>	<b>38,300</b>
Share of operating profit in associates		3,160	2,466
Profit/(losses) on the sale or closure of operations - exceptional	6	3,895	(131)
Interest payable and similar charges	4	(1,105)	(1,285)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	<b>53,174</b>	<b>39,350</b>
Taxation on profit on ordinary activities	7	(16,420)	(13,369)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>36,754</b>	<b>25,981</b>
Minority interests		(505)	(465)
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>		<b>36,249</b>	<b>25,516</b>
Dividends	8	(14,891)	(13,197)
<b>RETAINED PROFIT FOR THE PERIOD</b>		<b>21,358</b>	<b>12,319</b>
<b>Profit on ordinary activities before taxation</b>		<b>53,174</b>	<b>39,350</b>
Exceptional items - operating		-	1,231
Exceptional items - (profits)/losses on the sale or closure of operations		(3,895)	131
<b>Profit on ordinary activities before taxation and exceptional items</b>		<b>49,279</b>	<b>40,712</b>
Goodwill amortisation		1,600	1,580
<b>Profit on ordinary activities before taxation, exceptional items and goodwill amortisation</b>		<b>50,879</b>	<b>42,292</b>
<b>DIVIDEND PER SHARE</b>			
Interim	8	7.5p	6.6p
<b>EARNINGS PER SHARE</b>			
Basic	10	18.8p	13.4p
Diluted		18.1p	12.9p
Basic, excluding exceptional items		16.8p	14.0p
Diluted, excluding exceptional items		16.2p	13.5p
Basic, excluding exceptional items and goodwill amortisation		17.6p	14.8p
Diluted, excluding exceptional items and goodwill amortisation		17.0p	14.3p



**Jardine Lloyd Thompson Group plc**  
**Consolidated Balance Sheet**  
**Unaudited as at 30th June 2002**

	Notes	As at 30th June 2002 £'000	Restated (see Note 2) As at 30th June 2001 £'000	Restated (see Note 2) As at 31st Dec 2001 £'000
<b>FIXED ASSETS</b>				
Intangible assets		52,911	57,896	52,211
Tangible assets		27,867	21,461	24,518
Investments in associated undertakings		6,432	5,859	6,528
Other investments		1,576	1,490	1,505
Employee benefit trusts		12,517	10,272	10,742
		<b>101,303</b>	<b>96,978</b>	<b>95,504</b>
<b>CURRENT ASSETS</b>				
Debtors	3	2,130,925	2,265,657	1,981,896
Investments and deposits		337,184	329,272	316,032
Cash		94,093	81,572	91,477
		<b>2,562,202</b>	<b>2,676,501</b>	<b>2,389,405</b>
<b>CREDITORS – amounts falling due within one year</b>		<b>(2,443,586)</b>	<b>(2,591,214)</b>	<b>(2,309,150)</b>
<b>NET CURRENT ASSETS</b>		<b>118,616</b>	<b>85,287</b>	<b>80,255</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>219,919</b>	<b>182,265</b>	<b>175,759</b>
<b>CREDITORS – amounts falling due after more than one year</b>		<b>(10,716)</b>	<b>(912)</b>	<b>(10,680)</b>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	3	<b>(56,495)</b>	<b>(49,988)</b>	<b>(35,681)</b>
<b>MINORITY INTERESTS</b>		<b>(3,761)</b>	<b>(2,464)</b>	<b>(3,441)</b>
		<b>148,947</b>	<b>128,901</b>	<b>125,957</b>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		9,953	9,831	9,884
Share premium account		25,699	17,918	19,803
Shares to be issued		-	10,373	-
Profit and loss account		113,295	90,779	96,270
<b>SHAREHOLDERS' FUNDS</b>		<b>148,947</b>	<b>128,901</b>	<b>125,957</b>

**Jardine Lloyd Thompson Group plc**  
**Statement of Total Recognised Gains and Losses**  
**Unaudited for the six months ended 30th June 2002**

	2002 £'000	Restated (see Note 2) 2001 £'000
<b>PROFIT FOR THE PERIOD</b>		
Group companies	34,681	24,399
Share of associates	1,568	1,117
	<b>36,249</b>	<b>25,516</b>
Currency translation differences on foreign currency net investments	365	599
<b>TOTAL RECOGNISED GAINS RELATING TO THE PERIOD</b>	<b>36,614</b>	<b>26,115</b>

**Reconciliation of Movement in Shareholders' Funds**  
**Unaudited for the six months ended 30th June 2002**

	2002 £'000	Restated (see Note 2) 2001 £'000
<b>PROFIT FOR THE PERIOD</b>		
Group companies	34,681	24,399
Share of associates	1,568	1,117
	<b>36,249</b>	<b>25,516</b>
Dividends	(14,891)	(13,197)
Goodwill movements	302	-
Currency translation and other items	365	599
Contribution to QUEST (refer note 9 on page 13)	(5,000)	-
New shares issued	5,965	4,881
<b>NET MOVEMENT IN SHAREHOLDERS' FUNDS</b>	<b>22,990</b>	<b>17,799</b>
<b>OPENING SHAREHOLDERS' FUNDS - as originally reported</b>	<b>122,806</b>	<b>104,756</b>
Prior year adjustment (refer note 2 on page 10)	3,151	6,346
<b>CLOSING SHAREHOLDERS' FUNDS</b>	<b>148,947</b>	<b>128,901</b>

**Jardine Lloyd Thompson Group plc**  
**Consolidated Cashflow Statement**  
**Unaudited for the six months ended 30th June 2002**

	Notes	6 months to 30th June 2002 £'000	6 months to 30th June 2001 £'000
<b>OPERATING ACTIVITIES</b>			
Net cash inflow from operating activities	11	35,124	42,020
<b>DIVIDENDS FROM JOINT VENTURES AND ASSOCIATES</b>			
Dividends received from associates		791	222
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Interest received		10,055	10,860
Interest paid – bank loans		(1)	-
Interest paid – other loans and finance leases		(227)	(52)
Dividends paid to minority shareholders		(8)	(102)
<b>TAXATION</b>			
UK corporation tax paid		(3,546)	(4,861)
Overseas tax paid		(2,805)	(2,441)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Purchase of tangible fixed assets		(9,636)	(4,412)
Sales of tangible fixed assets		1,919	1,163
<b>ACQUISITIONS AND DISPOSALS</b>			
Purchase of investments by Employee Benefit Trust		(3,646)	(3,908)
Purchase of subsidiary undertakings	11	(2,317)	(738)
Net cash acquired with subsidiaries	11	155	-
Disposal of businesses	11	5,707	163
Investment in associated undertakings		-	(82)
Purchase of fixed asset investments		(8)	(1,417)
Issue of shares to minority shareholders in subsidiary		27	-
<b>EQUITY DIVIDENDS PAID</b>			
Dividends paid		(18,532)	(16,633)
<b>NET CASH INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING</b>			
		13,052	19,782
<b>MANAGEMENT OF LIQUID RESOURCES</b>			
Net cash flows into investments and deposits		(21,152)	(83,044)
<b>FINANCING</b>			
Issue of ordinary shares	9/11	965	4,881
Movement in debt	11	(77)	(121)
Decrease in cash (excluding insurance broking funds)		(7,212)	(58,502)
Increase in net insurance broking creditors	11	9,940	70,334
<b>INCREASE IN CASH IN THE PERIOD</b>			
	11	2,728	11,832

**Jardine Lloyd Thompson Group plc**  
**Notes to the Interim Report**  
**For the six months ended 30th June 2002**

**1. Basis of Accounting**

The unaudited results for the six months ended 30th June 2002 have been prepared under the historical cost convention using the accounting policies adopted in respect of the year ended 31st December 2001 except as set out in note 2 below.

The financial information for the year ended 31st December 2001 relating to the Group set out above has been extracted from the audited accounts of the Company for that period. Such financial information does not constitute statutory accounts for the Company for that period within the meaning of section 240 of the Companies Act 1985. Consolidated statutory accounts for the Company for that period, upon which the auditors have given an unqualified report and which did not contain any statement under section 237 of the Act, have been delivered to the Registrar of Companies.

**2. Restatement of comparatives**

In accordance with the requirements of Financial Reporting Standard 19 (FRS19), (Deferred Tax) the Group now fully provides for deferred tax assets and deferred tax liabilities.

The comparative figures for the period ended 30th June 2001 and the year ended 31st December 2001 have been restated to reflect the creation of these deferred tax assets and liabilities, together with the respective movement during the comparative periods.

The effect of restating the financial comparative information in respect of FRS 19 is summarised below.

	<b>Taxation</b> <b>£'000</b>	<b>Profit</b> <b>attributable to</b> <b>shareholders</b> <b>£'000</b>	<b>Debtors</b> <b>£'000</b>	<b>Provisions for</b> <b>liabilities and</b> <b>charges</b> <b>£'000</b>	<b>Shareholders'</b> <b>funds</b> <b>£'000</b>
<b>Year ended 31st December 2001</b>					
As previously reported			1,977,614	(34,550)	122,806
Effect of adopting FRS19			4,282	(1,131)	3,151
As restated			1,981,896	(35,681)	125,957
<b>Six months ended 30th June 2001</b>					
As previously reported	(12,225)	26,660	2,259,154	(48,839)	123,547
Effect of adopting FRS19	(1,144)	(1,144)	6,503	(1,149)	5,354
As restated	(13,369)	25,516	2,265,657	(49,988)	128,901
<b>Six months ended 30th June 2002</b>					
Without adopting FRS19	(16,366)	36,303	2,126,901	(55,405)	146,013
Effect of adopting FRS19	(54)	(54)	4,024	(1,090)	2,934
As reported	(16,420)	36,249	2,130,925	(56,495)	148,947

**Jardine Lloyd Thompson Group plc**  
**Notes to the Interim Report**  
**For the six months ended 30th June 2002**

**2. Restatement of comparatives cont'd**

<b>Earnings per share (pence)</b>						
	<b>Basic</b>	<b>Diluted</b>	<b>Basic, excluding exceptional items</b>	<b>Diluted, excluding exceptional items</b>	<b>Basic, excluding exceptional items and goodwill amortisation</b>	<b>Diluted, excluding exceptional items and goodwill amortisation</b>
<b>Six months ended 30th June 2001</b>						
As previously reported	14.0	13.5	14.5	14.0	15.4	14.8
Effect of adopting FRS19	(0.6)	(0.6)	(0.5)	(0.5)	(0.6)	(0.5)
As restated	13.4	12.9	14.0	13.5	14.8	14.3
<b>Six months ended 30th June 2002</b>						
Without adopting FRS19	18.8	18.1	16.8	16.2	17.6	17.0
Effect of adopting FRS19	-	-	-	-	-	-
As reported	18.8	18.1	16.8	16.2	17.6	17.0

**3. Provisions for liabilities and charges**

In accordance with Financial Reporting Standard 12 (FRS12) the Group records provisions gross of any related third party recovery; any such recovery being included within Debtors. At 30th June 2002, in connection with certain litigation matters, the Group's litigation provisions include an amount of £27.8 million to reflect this gross basis and the corresponding insurance recovery has been included within Debtors.

This presentation has had no effect on the Profit and Loss account for the 6 months ended 30th June 2002.

**4. Segmental information**

**Turnover**

*Geographical analysis by location of operation*

				<b>6 months to 30th June 2002 £'000</b>	<b>6 months to 30th June 2001 £'000</b>
Europe (including UK)				126,582	113,216
Asia Pacific				36,040	30,412
Americas				31,601	29,640
				<b>194,223</b>	<b>173,268</b>
	<b>Group Companies</b>	<b>Associates</b>	<b>Exceptional Items</b>	<b>6 months to 30th June 2002 £'000</b>	<b>6 months to 30th June 2001 £'000</b>
<b>Profit on Ordinary Activities before Taxation</b>	<b>2002 £'000</b>	<b>2002 £'000</b>	<b>2002 £'000</b>	<b>2002 £'000</b>	<b>2001 £'000</b>
Europe (including UK)	33,102	2,906	3,990	39,998	31,631
Asia Pacific	10,253	254	-	10,507	8,060
Americas	3,869	-	(95)	3,774	944
	<b>47,224</b>	<b>3,160</b>	<b>3,895</b>	<b>54,279</b>	<b>40,635</b>
Interest payable and similar charges	(588)	(517)	-	(1,105)	(1,285)
	<b>46,636</b>	<b>2,643</b>	<b>3,895</b>	<b>53,174</b>	<b>39,350</b>

Interest payable and similar charges includes £322,000 (2001: £488,000) in respect of the unwinding of provision discounting.

**Jardine Lloyd Thompson Group plc**  
**Notes to the Interim Report**  
**For the six months ended 30th June 2002**

**5. Exceptional Items**

	<b>6 months to 30th June 2002 £'000</b>	<b>6 months to 30th June 2001 £'000</b>
Acquisition integration and reorganisation costs	-	(1,231)
	<b>-</b>	<b>(1,231)</b>

**6. Profits/(losses) on the sale or closure of operations – exceptional**

	<b>6 months to 30th June 2002 £'000</b>	<b>6 months to 30th June 2001 £'000</b>
Sale of Professional Affinity Group Services Limited	3,490	-
Sale of investment in TDF Credit Insurance Limited	500	-
Sale of JLT Insurance Services Company	207	-
Sale of Jardine Insurance Services (Chile) Ltd	(302)	-
Sale of Flood Underwriters of the Southeast, Inc.	-	(156)
Sale of NIB Investments West Africa	-	25
	<b>3,895</b>	<b>(131)</b>

During the current and prior year the Group has sold or closed a number of operations. The resulting profits and losses from these transactions have been treated as exceptional items.

**7. Taxation on profit on ordinary activities**

	<b>6 months to 30th June 2002 £'000</b>	<b>6 months to 30th June 2001 £'000</b>
<b>UK Corporation Tax</b>		
Current tax on income for the period	10,891	8,717
Deferred Taxation	121	610
<b>Foreign Tax</b>		
Current tax on income for the period	4,403	2,520
Deferred Taxation	(67)	534
<b>Tax on share of operating profit in Associates</b>		
Current tax on income for the period	1,043	951
Deferred Taxation	29	37
	<b>16,420</b>	<b>13,369</b>
Taxation on profits before exceptional items	16,331	13,624
Taxation on exceptional items	89	(255)
	<b>16,420</b>	<b>13,369</b>

**Jardine Lloyd Thompson Group plc**  
**Notes to the Interim Report**  
**For the six months ended 30th June 2002**

**8. Dividend**

The interim dividend of 7.5p per share (2001: 6.6p) is payable on 14th October 2002 to shareholders who are registered at the close of business on 20th September 2002. The provisional ex-dividend date will be 18th September 2002.

**9. Qualifying Employee Share Ownership Trust**

During the period, 839,630 ordinary shares were subscribed for by the Jardine Lloyd Thompson Group plc Qualifying Employee Share Ownership Trust (the "QUEST") at a market value of £5.0m. These shares are to be allocated to employees in satisfaction of options that may be exercised under the Jardine Lloyd Thompson Sharesave Schemes. The company has provided £5.0m to the QUEST for this purpose. The cost of this contribution has been transferred by the Company directly to the profit and loss account reserve.

**10. Earnings per Share**

- i) Basic earnings per share are calculated by dividing the profit after taxation and minority interests by the weighted average number of shares in issue.
- ii) Diluted earnings per share are calculated by dividing the profit after taxation and minority interests by the adjusted weighted average number of shares in issue.
- iii) Basic earnings per share, excluding exceptional items are calculated by dividing the adjusted profit excluding exceptional items by the weighted average number of shares in issue.
- iv) Diluted earnings per share, excluding exceptional items are calculated by dividing the adjusted profit excluding exceptional items by the adjusted weighted average number of shares in issue.
- v) Basic earnings per share, excluding exceptional items and goodwill amortisation are calculated by dividing the adjusted profit excluding exceptional items and goodwill amortisation by the weighted average number of shares in issue.
- vi) Diluted earnings per share, excluding exceptional items and goodwill amortisation are calculated by dividing the adjusted profit excluding exceptional items and goodwill amortisation by the adjusted weighted average number of shares in issue.

The weighted average number of shares in issue has been calculated after excluding the Group's share of SIACI's interest in the share capital of Jardine Lloyd Thompson Group plc together with the shares held by the Trustees of the Employees' Share Ownership Plan Trust in respect of the Jardine Lloyd Thompson Group Restricted Share Scheme and shares held by the Group's Qualifying Employee Share Ownership Trust.

As explained in note 2, the comparative financial information has been restated in respect of FRS 19.

	<b>6 months to 30th June 2002 No of shares</b>	<b>6 months to 30th June 2001 No of shares</b>
Weighted average number of shares in issue	<b>193,496,002</b>	191,015,477
Effect of outstanding share options	<b>7,271,959</b>	6,926,036
<b>Adjusted weighted average number of shares</b>	<b>200,767,961</b>	<b>197,941,513</b>

**Jardine Lloyd Thompson Group plc**  
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**10. Earnings per Share cont'd**

	6 months to 30th June 2002			Restated 6 months to 30th June 2001		
	£'000	Basic pence per share	Diluted pence per share	£'000	Basic pence per share	Diluted pence per share
<i>Earnings reconciliation</i>						
<b>Profit after taxation and minority interests</b>	<b>36,249</b>	<b>18.8</b>	<b>18.1</b>	<b>25,516</b>	<b>13.4</b>	<b>12.9</b>
Exceptional items	-			1,231		
(Profits)/losses on sale or closure of operations – exceptional	(3,895)			131		
Taxation charge/(credit) on exceptional items	89			(255)		
	<b>(3,806)</b>	<b>(2.0)</b>	<b>(1.9)</b>	<b>1,107</b>	<b>0.6</b>	<b>0.6</b>
<b>Adjusted profit excluding exceptional items</b>	<b>32,443</b>	<b>16.8</b>	<b>16.2</b>	<b>26,623</b>	<b>14.0</b>	<b>13.5</b>
Goodwill amortisation	1,600	0.8	0.8	1,580	0.8	0.8
<b>Adjusted profit excluding exceptional items and goodwill amortisation</b>	<b>34,043</b>	<b>17.6</b>	<b>17.0</b>	<b>28,203</b>	<b>14.8</b>	<b>14.3</b>

**11. Notes to the Consolidated Cashflow Statement**

**(a) Net Cash inflow from operating activities**

	6 months to 30th June 2002 £'000	6 months to 30th June 2001 £'000
<b>Reconciliation of profit on ordinary activities before taxation to net cash inflow/outflow from operating activities</b>		
Profit on ordinary activities before taxation	53,174	39,350
Investment income receivable	(9,270)	(11,175)
Interest payable on bank loans	1	-
Interest payable on other loans and finance leases	266	111
Unwinding of provision discounting	322	488
Depreciation	4,384	3,667
ESOP amortisation	1,870	1,469
Goodwill amortisation	1,600	1,580
Profit on sale of tangible fixed assets	(155)	(646)
Share of results of associated undertakings	(2,643)	(1,780)
Exceptional items	-	1,231
(Profits)/losses on the sale or closure of operations – exceptional	(3,895)	131
(Increase)/decrease in debtors excluding insurance broking balances	(21,112)	11,631
Decrease in creditors excluding insurance broking balances	(10,033)	(1,092)
Increase/(decrease) in provisions for liabilities and charges	20,615	(2,945)
<b>Net cashflow from operating activities (excluding insurance broking funds)</b>	<b>35,124</b>	<b>42,020</b>



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**11. Notes to the Consolidated Cashflow Statement cont'd**

(b) Analysis of changes in financing during period

	Share capital including premium £'000	Loans and Finance lease obligations £'000
<b>Balance at 1st January 2002</b>	<b>29,687</b>	<b>17,119</b>
Cashflows from financing	5,965	(77)
Exchange	-	59
<b>Balance at 30th June 2002</b>	<b>35,652</b>	<b>17,101</b>

(c) Analysis of net funds

	At 1st Jan 2002 £'000	Cashflow £'000	Acquisitions/ Disposals £'000	Exchange Movements £'000	At 30th June 2002 £'000
Cash	91,477	2,573	155	(112)	94,093
Investments & deposits	316,032	21,152	-	-	337,184
Loan Notes	(5,864)	-	-	-	(5,864)
Finance Leases	(1,203)	77	-	(56)	(1,182)
Debts due within one year	(52)	-	-	(3)	(55)
Loan notes due after one year	(10,000)	-	-	-	(10,000)
	<b>390,390</b>	<b>23,802</b>	<b>155</b>	<b>(171)</b>	<b>414,176</b>

(d) Acquisition

During the period a number of additional investments in existing businesses were completed.

	Cost £'000
Additional investments in existing businesses	2,317
	<b>2,317</b>

**Jardine Lloyd Thompson Group plc**  
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**11. Notes to the Consolidated Cashflow Statement cont'd**

(d) Acquisition

**Assets and liabilities of businesses acquired - summary**

	6 months to 30th June 2002 £'000	6 months to 30th June 2001 £'000
Tangible fixed assets	(10)	-
Debtors	-	216
Cash at bank	155	-
Creditors	(31)	(3)
Taxation	(124)	(31)
Minority interests	216	-
	<hr/>	<hr/>
	206	182
Goodwill	2,111	556
	<hr/>	<hr/>
Cost of acquisition	2,317	738

All costs of acquisition were satisfied by cash payments and all assets and liabilities are stated at their fair value, no adjustment has been made to their book value.

(e). Disposals

	Net proceeds £'000
During the period the following disposals were completed	
Professional Affinity Group Services Limited (PAGS)	5,000
Other small businesses none of which were individually significant	707
	<hr/>
	5,707

	PAGS £'000	Other £'000	2002 £'000	2001 £'000
<b>Assets and liabilities of businesses sold</b>				
Investment in associate	1,150	-	1,150	4
Creditors	360	-	360	-
Taxation	-	-	-	290
	<hr/>	<hr/>	<hr/>	<hr/>
	1,510	-	1,510	294
Gain/(loss) on disposal	3,490	405	3,895	(131)
	<hr/>	<hr/>	<hr/>	<hr/>
	5,000	405	5,405	163
Goodwill previously written off	-	302	302	-
	<hr/>	<hr/>	<hr/>	<hr/>
Proceeds	5,000	707	5,707	163

All proceeds were satisfied by a cash consideration.

**12. The Interim report will be posted to shareholders by 6th August 2002 and will be available to the public upon request to the Company Secretary at 6 Crutched Friars, London EC3N 2PH**